



DIRECTIVE 99-4

Supercedes Property Tax Directive 98-2

September 13, 1999

PROPERTY TAX GROWTH VALUE AND CERTIFICATION OF VALUE

Purpose. This directive is to advise the county assessor of the allowable growth value provision of LB989 as it pertains to the budget limitation for governmental units, excluding (a) school districts, (b) community colleges, and (c) sanitary improvement districts in existence five years or less.

Growth shall be determined by school district as required by the Property Tax Administrator for completion of the county abstract of assessment reports pursuant to section 77-1514.

Procedure and Implementation. Section 13-518 defines allowable growth for real property, personal property, and also includes any increase in value due to annexation. Pursuant to 1998 Neb. Laws LB 989 and LB 306, on or before August 20, 1998 and subsequent years the assessor shall do the following:

- 1) certify the total taxable value to all governmental subdivisions
- 2) certify the total growth value for all governmental subdivisions excluding; (a) school districts, (b) community colleges, and (c) sanitary improvement districts in existence less than five years.
- 3) the total taxable value and growth value, if applicable, shall be identified separately

Determining growth values and annexation value:

Real property growth includes:

1. physical additions or improvements to real property which increase the value of such property.
2. any additional value of real property annexed into a governmental subdivision's territory for the current year, e.g. city or fire district annexation.

Real property growth does not include:

1. changes in value of a class or subclass of real property;
2. changes due to revaluation of individual properties.
3. valuation changes resulting from a change in use of the property, e.g. agricultural land use changes;
4. property in a tax increment financing district; the base value must remain constant and increases in value go the excess value which is not assessable by the governmental unit;
5. property that changes from exempt status to taxable status is not considered growth.

Personal Property:

Personal property growth is the amount, if any, by which the governmental subdivision's total net book personal property valuation for the current year exceeds the total net book personal property valuation of the prior year. If the current year's personal property valuation is less than the prior year there is no growth for personal property.

When comparing the governmental subdivision's total personal property of the current year versus the prior year, the personal property value shall include all commercial and agricultural net book personal property and only the personal property portion of railroads and public service entities as certified by the Property Tax Administrator.

There is no real property growth value calculated for railroads and public service entities, as it cannot be determined in the same manner as other real property.

APPROVED:

Catherine D. Lang
Property Tax Administrator
September 13, 1999